



**California Department of Veterans Affairs
Disabled Veteran Business Enterprise (DVBE) Advisory Council
Meeting Minutes, Thursday July 15, 2004**

Location

Medal of Honor Hall
California Department of Veterans Affairs
1227 O Street
Sacramento, California, 95814

Participants

DVBE

- Allen Amaro
- Larry Brooks
- Jerry Caton
- Don Gonneville
- Ken Jackson
- Michael Johnson
- Floyd Knox
- Bob Mulz
- Mike O'Connor
- Jim Stanfield
- Francis Trottier
- Larry Turner
- A.J. Wilson
- Bob Yaap

CDVA

- Ralph Cansimbe, Manager, HQ Operations, VSD
- Tom Johnson, Secretary CDVA
- Jack Kirwan, Chief, Veterans Services Division; Statewide DVBE Program Advocate; Council Co-Chair
- Stewart MacKenzie, DVBE Outreach and Education Coordinator, VSD

DGS

- Mariel Dennis, Chief, Office of Small Business and DVBE Services Branch
- Gloria Anderson, Certification and Compliance Manager
- Patricia Connors, Utilization and Development Manager
- Faye McGirr, Chief, Contracts Management Section
- Lori Okamoto, Reciprocity Consultant
- Carlos Toirac, Contracts Manager, Construction Contracts

Special Guests

- Ron Joseph, Director, Department of General Services
- Dennis Matthews (in for Gene Farnsworth)

DVBE Advisory Council Members Absent

- Alison Boyle
- Gene Farnsworth
- Rondia Moss
- Kevin O'Connor
- John Robbins
- Timothy Voors

CLOSED SESSION, DVBE INTERNAL ISSUES **(Participation by DVBE's and CDVA personnel)**

Welcome and Introductions

Jack Kirwan, Chief, Veterans Services Division; Statewide DVBE Program Advocate; Council Co-Chair called the meeting to order at 10:03 a.m. and led Council in the Pledge of Allegiance. Mr. Kirwan introduced himself and welcomed Council. Don Gonneville asked the Council for self introductions, and introduced Dennis Matthews (in for Gene Farnsworth). Mr. Kirwan said the closed session was to focus on issues important to the DVBE community so that he could better advise the Secretary on how to improve the program. He said he thought an open-air discussion on the community would be worthwhile. Mr. Kirwan handed out biography forms for Council Members to fill out so that he can better represent them to Secretary Johnson. He also said VSD requires this

every two years to ensure a broad spectrum of representation. Mr. Gonneville said the most important item the Council must address is the fact that everyone (CDVA, DGS and Legislators) tells them they need to, “Speak as one voice.” He said it was important to discuss issues completely to come to a consensus on what the Council wants done so they can ask other people to assist them in accomplishing their goals. He said, “If we’re really split on an issue that means we need to discuss it further.” He said personal agendas should be put aside in favor of what is best for the DVBE community. Mr. Kirwan handed out a document called Operating Guidelines For The California Department of Veterans Affairs Disabled Veteran Business Enterprise (DVBE) Advisory Council. This document included the following:

- Operating Procedures
- Membership
- Basic Role of Primary/Alternate Representatives
- Additional Responsibilities Of Primary/Alternate Representatives
- Reimbursement
- Structure
- Quorum
- Voting Rights
- Meeting Dates
- Minutes
- Council Agenda
- Committee Agenda

Mr. Kirwan said it was good to have “lively” discussion as Council goes over issues. He said consensus was very important. He said it is reached with give and take and results with something that all Council Members could live with. He added, “Some issues we may never have a consensus on, but consensus will move things forward.” A.J. Wilson asked how long the DVBE Advisory Council had existed and what its original purpose was, and what results had been achieved. Larry Turner said he was there from the start and added, “DGS has done everything in their power to boycott our words. You can put that on the record.” Jerry Caton said the Council was formed in 1998 and its original purpose was to advise DGS-to be the voice of the Veteran community. Mr. Caton said there had been goals established but they kept changing. Robert Yaap said the preamble of the Council was in the printed material that Mr. Kirwan handed out. Mr. Yaap said, “This closed meeting is a good idea. Last time was a little embarrassing. I like this- air our dirty laundry and then bring the others in later.” Allen Amaro said, “We must take out personal issues with DGS and speak as a Council, not as one person.” Dennis Matthews (in for Gene Farnsworth) told of his beginnings as a DVBE and his frustration with the 3% goal. Mr. Kirwan said he empathized with him as the 3% is just a goal and is not enforced. The discussion continued and various topics came up:

- Comments made at the previous meeting by Mariel Dennis regarding 5% stackable participation.
- Proposition 209’s demise and how DVBE was created.
- CalTrans’ questionable accounting techniques in reporting DVBE participation.
- Allowing retired DVBE’s to serve as Council Members.

- Goals of Council including long term strategic plan.

Francis Trottier motioned Council ask DGS to post on their website any time they have a DVBE listed as a participant. Jim Stanfield suggested postponing the motion. Larry Turner said he would second it. Mr. Kirwan tabled the motion until it could be discussed with members from DGS. Mr. Turner said he wanted it on the record that he seconded the motion. Bob Mulz asked why the motion was being tabled. Mr. Trottier said he felt Mr. Kirwan was going against Council's wishes. Ken Jackson said he liked the closed session as Council had the chance to come together and form a consensus on issues like this motion. Mr. Kirwan said the motion had been made and seconded, and asked Council to vote at 11:20 a.m. The motion carried with no votes and one abstention. The discussion turned to the proposed letter to the Governor's office asking for his support of the Executive Order. Mike O'Connor motioned at 11:26 a.m. that Council draft letter to Governor Schwarzenegger asking for his support of DVBE's, as well as a letter to Director of DGS for his support. Larry Turner seconded. Larry Brooks suggested the Governor reaffirm the Executive Order. Mr. Kirwan asked Council to vote. All were in favor with no abstentions. Motion carried. Mr. Gonneville asked Council to email input for the letters to him at don@gonneville.com. Mr. Stanfield said he didn't like the way Mr. Trottier's motion was tabled. Mr. Kirwan said he yielded to Council's wishes. Mr. Gonneville asked Council if they would like to continue with closed sessions in the morning at future meetings. Mr. Turner said he like the idea. Robert Yaap said he liked it very much. Mr. Gonneville suggested the closed session begin at 9:30 a.m. Mike O'Connor motioned to appoint former DVBE's such as Jerry Caton as Council Mentors. Mr. Trottier seconded. Mr. Kirwan asked Council to vote. Council voted unanimously in support of Mr. Caton. Bob Mulz motioned Council approach DGS about 5% stackable preference request and assist in getting it through the legislative process. A.J. Williams seconded. Mr. Kirwan called for a vote. All were in favor, none opposed.

Adjourn for Lunch Break

Mr. Kirwan adjourned the closed session at 11:59 a.m.

OPEN SESSION

Welcome and Introductions

Mr. Kirwan reconvened the meeting at 12:39 and asked visitors to introduce themselves.

Review of Prior Minutes

Mr. Kirwan asked Council if they had reviewed the Minutes from the previous meeting. He asked if there was any discussion or issues. Mr. Kirwan approved the Minutes at 12:40 p.m.

Real Estate Services Division (Continued from last meeting)

Faye McGirr began her presentation at 12:44 p.m. This was part two of the presentation, carried over from the previous meeting. Some of the items discussed included:

- Redding Cemetery Project bid was released. Before the bid went out, a request was made to Ms. McGirr's director for 5% DVBE participation. Director approved.
- Focused outreach to seek out DVBE participation on this project.
- Advertised in DVBE publications and other various methods.
- Asked for detailed bid walk for this project.
- Bid walk held June 29 in Redding. 25 contractors showed up, 2 were DVBE.
- Bid will be open July 21.

Ms. McGirr said her department needs more qualified, certified DVBE's. She asked Council's assistance in doing an outreach to find DVBE's. Ms. McGirr said her department sends out letters to all DVBE's who are named in bids. She offered her help to Ken Jackson and his Outreach Committee. Larry Turner asked Ms. McGirr if it was possible to get a list of every certified Disabled Vet. Mr. Kirwan said there might be a privacy issue but he would check into it. Ms. McGirr said, "If I can help with that, I'd love to." The presentation ended at 1:10 p.m.

CDVA Secretary Tom Johnson

Tom Johnson, Secretary, CDVA addressed Council at 1:12 p.m. Mr. Johnson thanked Mr. Kirwan for his hard work and dedication to Council. Mr. Johnson reaffirmed his commitment to the DVBE program. Mr. Gonneville thanked Secretary Johnson for his efforts and the changes that had been made. Mr. Johnson said, "We've got a good team and we're going to get better." Council applauded as Secretary Johnson left at 1:15 p.m.

Legislative Update

At 1:16 p.m. Mariel Dennis, Chief, Office of Small Business and DVBE Services Branch began her report. Printed information was distributed to Council called:

DGS Update to the DVBE Council

Welcome to:

- Mark Hamilton and Lauren Gomez of the Department of Health Services.
- Welcome Rita Hamilton, the new Deputy Director of the Procurement Division.
- Joe Barajas to the Office of SB/DVBE Services. Joe will be heading up the certification, policy and training group.
- OSDS also welcomes the Managers of the DGS Real Estate Services Division.

The SB Regulations were approved by the Department of Finance and are at the Office of Administrative Law. OAL previously reviewed the regulations, so we expect the regs will be approved with the next couple of weeks and move to the Secretary of State for publication within another 30 days.

DGS has determined that it will seek emergency regulation approval for new DVBE regulations. We will seek Council input.

Policy issues and forms: DGS will issue a Management Memo with a new STD 843 form for DVBE Brokers to make declarations required as a result of SB 1008.

A management memo detailing the requirement for SB/DVBE contractors and subcontractors to provide a commercially useful function is in process.

DVBE Program Requirements forms will be revised. We will determine whether to include or have separate SB forms. Also will need new SB/DVBE applications. Council input will be requested.

The DVBE Tax Return Project is almost complete. Each DVBE firm was notified of the requirement for submission of tax returns. OSDC's website will be updated with a new policy—OSDC will notify firms who fail to submit tax returns; they will be deemed to have requested to voluntarily withdraw from the program if returns are not provided in 30 days. Firms will then be decertified and there will be no appeal.

Executive Order: The Department of Veterans Affairs and State and Consumer Services Agency co-sponsoring an Executive Order in support of the DVBE program.

BIS Status: In June, OSDC completed an upgrade to the BIS database. The Keyword Search function is also being incorporated into BIS and is currently unavailable while the conversion is in process. Keyword search will be restored by the end of July.

Outreach: OSDE continues outreach activities:

- OSDC blasts emails for DVBE bid opportunities.
- Monthly Highlights of Activities for May/June
- SBVA Vet Gazette

Ms. Dennis covered another printed material that was distributed to Council called **DISABLED VETERAN BUSINESS ENTERPRISE DECLARATIONS**.

- Prior to performing the contract, the disabled veteran (DV) owner(s) and DV manager(s) of the Disabled Veteran Business Enterprise (DVBE) must complete this declaration when a DVBE contractor or subcontractor will provide materials, supplies, services or equipment (Military and Veterans Code, Section 999.2). Violation are misdemeanors and punishable by imprisonment or fine and violators are liable for civil penalties.)

Ms. Dennis answered questions from Council. Mr. Yaap asked if DVBE's were to wait for correspondence asking for tax returns before sending them in. Ms. Dennis said, "No, send them in." Gloria Anderson, Certification and Compliance Manager, DGS said they were swamped with tax returns and had been working very hard. Patricia Connors,

Utilization and Development Manager, DGS went over printed material distributed to Council called Small Business & DVBE Services Branch. This publication details services provided by DGS for the SB and DVBE communities during the previous months. Also distributed were copies of U.S. Small Business Administration's Vet Gazette.

Other issues discussed DGS staff:

- Executive Order. Ms. Dennis said she was working with Mr. Kirwan on getting a letter drafted to Governor Schwarzenegger stating the importance of the DVBE program.
- Upgrade of DGS website technology.

Ms. Dennis asked Council for guidance on a situation she had recently become aware of. A prime contractor contacted DGS and told them a firm who offered to do a good faith effort for them for \$300.00 had contacted them. In return the prime would just pay the money; the firm would do the good faith effort, and they wouldn't have to give 3% participation to a DVBE. Bob Mulz asked where this had taken place and if Ms. Dennis had names. Ms. Dennis said, "Yeah, we know who it is." Mr. Mulz said, "We need to name, names." Ms. Dennis said the person offering the good faith effort service was a disabled male but not a Veteran. She asked Council if they had suggestions for DGS with this situation. Mr. Brooks suggested DGS refer the prime contractor to Council. He said, "We prefer to police our own." Ms. Dennis thanked Council for their input. Mr. Kirwan asked Ms. Dennis about timeline for 5% bidding preference and told her it was good to hear her mention it again. Ms. Dennis said she was going to be briefed on it later in the day. Mr. Gonneville asked Ms. Dennis if she could speak to AB1592. Mr. Brooks asked if Mike Greene could speak briefly about the bill. Mr. Kirwan said rules don't allow visitors to speak unfortunately. Ms. Dennis said she had to be careful discussing this as some of it was confidential. She said there was a meeting yesterday on this matter and she hadn't been briefed on the outcome of it. Mr. Kirwan asked if Council wants to take a position on AB1592. Mr. Brooks said he thought Council should take a position supporting the bill and DGS had removed its opposition to it. Mr. Brooks motioned Council take a position of favor for AB 1592. Seconded by Mike O'Connor. Mr. Amaro suggested further discussion before voting on this. Mr. Kirwan called for a vote at 2:05. 9 were in favor with 5 opposed. There was some confusion so a second vote was called for. The final vote was 10 in favor with 4 opposed. Motion passed at 2:07.

Open Forum

Mr. Gonneville asked Council to bring up any issues they would like to discuss. Mr. Trottier asked Ms. Dennis her opinion, as a person, of the Utilization Plan. Ms. Dennis said, "Personally, I support it." Mr. Trottier told Ms. Dennis of the motion made earlier during closed session that DGS include, on their website, information whenever a DVBE had been listed on a contract. He asked, "What is your position on that?" Ms. Dennis replied, "Oh my God is the first thing that comes to mind." Ms. Dennis explained the difficulty in tracking such information. She said there wasn't the capability in the State as far as she knew to make it possible and would need a whole new database. Ron Joseph,

Director, Department of General Services walked in at 2:15 p.m. Ms. Dennis relayed Council's request to post information on DGS' website whenever a DVBE is listed on a contract. Mr. Joseph said he would address the issue later, but first had several things he wanted to cover. Mr. Joseph apologized for being late to the meeting and said he planned to attend regularly. He reaffirmed his commitment to work with Ms. Dennis and the Council. Mr. Joseph said he thought the idea of monitoring DVBE's listed on contracts was, "A darn fine idea." He said, "We ought to track it but I'm not sure how to get the information on there." Mr. Trottier said it would be much appreciated. Mr. Joseph said he and Ms. Dennis would discuss it in their next meeting. Mr. Kirwan said, "I think we have a good idea here. Sorry to put you on the spot." Mr. Joseph said he was committed to look into it. Council Members asked questions and the following issues were discussed:

- Outsourcing
- Strategic Sourcing
- CalTrans tracking of DVBE participation
- Online bidding for projects

Mr. Joseph left the meeting at 2:45 p.m. and Council gave him an ovation. Mr. Gonneville asked if Council had any others issues they would like to bring up. This issue of observers speaking at Council meetings came up again. Mr. Gonneville suggested if an observer had an issue they would like discussed, they should approach a Council Member to advocate for them prior to a meeting. Mr. Mulz asked if George Andries, Veterans Homes Project, was no longer in that position. Mr. Kirwan confirmed Bob Johnson had replaced him. Mr. Mulz requested Mr. Johnson's phone number.

Date for Next Meeting

Mr. Gonneville said the date for the next meeting would be September 16, 2004.

Closing Remarks

Mr. Kirwan said he appreciated the Council taking time to attend these meetings and the witty repartee. Mr. Gonneville thanked Council for their "fine progress." He added, "We're getting the attention and ear of a lot of people like Ron Johnson and Tom Johnson. Attendance is growing. If we keep persevering and speak as one voice, we will make a difference, not just for us, but those who will follow us. We have a responsibility to them to do everything we can do to make their life a lot better when they come back to California to set up their own businesses." Mr. Gonneville thanked the Council and asked them to give themselves a round of applause.

Adjournment

Mr. Kirwan adjourned the meeting at 2:51 p.m.

Minutes prepared by Jeffrey Alan Myers of Desktop Advantage, a certified DVBE/SBE